



# MACHAKOS UNIVERSITY

University Examinations for 2022/2023 Academic Year

**SCHOOL OF AGRICULTURE, ENVIRONMENT AND HEALTH SCIENCES**

**DEPARTMENT OF AGRICULTURAL SCIENCES**

**FOURTH YEAR FIRST SEMESTER EXAMINATION FOR BACHELOR OF  
SCIENCE IN AGRIBUSINESS MANAGEMENT AND TRADE**

**AGB 403: AGRICULTURAL PROJECT MANAGEMENT**

**DATE:**

**TIME:**

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**INSTRUCTIONS: Answer Question ONE (Compulsory) and any other TWO questions**

**QUESTION ONE (30 MARKS)**

- a) Differentiate between the following terms as used in project management
  - i) a program and a project (4 marks)
  - ii) economic and financial project appraisal (4 marks)
- b) Explain five attributes of a good project manager (5 marks)
- c) Explain five reasons why an agricultural project may fail (5 marks)
- d) Explain three dimensions of the performance of a project and their interrelation (6 marks)
- e) Suppose an agribusiness entrepreneur seeks your advice on two viable projects, Project A and B, with the following cash flows:

Year (t)	Expected net cash flows (CF <sub>t</sub> ) in Ksh	
	Project A	Project B
0 (investment)	(1,000)	(1,000)
1	500	100
2	400	300
3	300	400
4	100	600

Assuming a 10% cost of capital and that projects are mutually exclusive. Apply the net present value (NPV) approach and advise the entrepreneur on which project to undertake (6 marks)

**QUESTION TWO (20 MARKS)**

- a) Describe the main phases of the project development cycle (10 marks)
- b) Describe the main steps in preparing a project schedule (10 marks)

**QUESTION THREE (20 MARKS)**

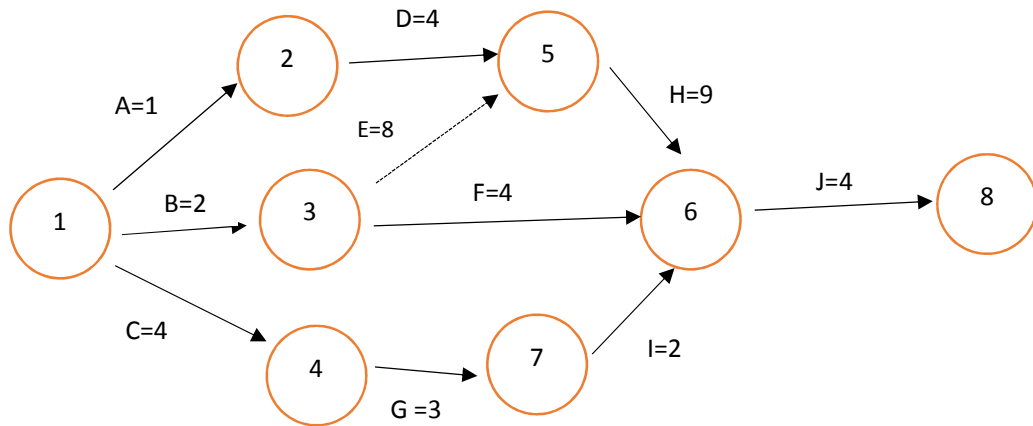
- a) Describe how to conduct a feasibility study of an agricultural project (10 marks)
- b) Describe the components of a Log frame as applied in project planning, using necessary illustrations (10 marks)

**QUESTION FOUR (20 MARKS)**

- a) Describe four evaluation types that are used to evaluate project performance (8 marks)
- b) Systematically describe the method of cost-benefit analysis as applied in project appraisal (12 marks)

**QUESTION FIVE (20 MARKS)**

- a) Describe five strategies for effective negotiation in project management (10 marks)
- b) Given the flow diagram of a project below:



- i) Identify and explain concurrent activities (3 marks)
- ii) Identify and explain dummy activity (3 marks)
- iii) Explain and determine the critical path of the project (4 marks)